

Message Text

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PAGE 01 STATE 027796
ORIGIN STR-07

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-----130375 020540Z /21
O 020438Z FEB 78
FM SECSTATE WASHDC
TO AMEMBASSY KUALA LUMPUR IMMEDIATE

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PASS AMBASSADOR WOLFF

FOL GENEVA 01460 SENT ACTION SECSTATE INFO BRUSSELS TOKYO
JAN 31, 1978 REPEATED TO YOU QUOTE

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USMTN USEEC

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD
SUBJECT: MTN: INFORMAL MEETING ON SUBSIDIES/COUNTER-
VAILNNG DUTIES

REF: (A) GENEVA 12241; (B) STATE 281181; (C) GENEVA 1054

1. AT REQUEST OF GATT SECRETARIAT, THE US, EC, JAPAN,
CANADA, AND NORDIC DELEGATIONS PARTICIPATED IN AN
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INFORMAL SESSION TO DISCUSS THE FUTURE WORK PROGRAM
ON
THE SUBSIDIES/CVD NEGOTIATIONS. THE MEETING REVEALED
THE FRUSTRATION AMONG PARTICIPANTS CONCERNING LACK
OF PROGRESS IN THIS AREA OF THE NEGOTIATIONS. DELS
AGREED HOWEVER, TO CONTINUE BILATERAL TALKS WITH A
VIEW TO MORE CLEARLY DEFINING POSITIONS ON THE CONCEPTS

CONTAINED IN GATT DOCUMENT CIRCULATED IN DECEMBER
(US/EC OUTLINE OF AN APPROACH CONTAINED IN MTN/INF/13)
AND THE CANADIAN REDRAFT OF THE U.S. "GUIDELINES FOR
DISCUSSION" IN TPSC 77-91 ANNEX 1. END SUMMARY.

2. GATT CHAIRMAN OF SUBSIDY/COUNTERVAILING DUTIES SUB-
GROUP, (LINDEN) CONVENED MEETING TO DISCUSS HOW WE
MIGHT MOVE WORK FORWARD IN SUBSIDY/COUNTERVAILING DUTY
AMEA. HE STRESSED THAT IF TIMEFRAME TO CONCLUDE NEGO-
TIATIONS BY MID-JULY IS TO BE REALIZED, ACTIVE NEGO-

TIATIONS ON THIS ISSUE MUST BE IMMEDIATELY INITIATED.
LINDEN STATED THAT THE PRIMARY PURPOSE OF THE MEETING
WAS TO APPLY MRESSURE TO KEY PARTICIPANTS TO BECOME
MORE ACTIVE AND TO PROVIDE HIM WITH A FIRST-HUND
ACCOUNT OF ANY RECENT BILATERAL DISCUSSIONS. THE
LATTER IS PARTICULARLY OF INTEREST FOR LINDEN TO
ENABLE HIM TO RESPOND TO INQUIRIES OF DELEGATIONS
THAT HAVE NOT BEEN PRIVY TO THE INFORMAL TALKS AND HAVE
RAISED

THE POSSIBILITY OF CONVENING A FULL SUBGROUP MEETING. US
(NEWKIRK) AND EC (ABBOTT) FIRMLY STATED THAT A SUBGROUP
MEETING AT THIS STAGE WOULD NOT CONTRIBUTE TO ADVANCING
WORK IN THIK AREA. REST

OF GROUP, INCLUDING LINDEN, CON-
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CURRED.

3. US DEL NOTED THAT WE HAD RECENTLY CIRCULATED TO THE EC,
CANADA, NORDICS, AND JAPAN A DISCUSSION PAPER THAT EXPANDS
UPON THE CONCEPTS CONTAINED IN MTN/INF/13 (THE US/EC OUT-
LINE OF AN APPROACH ON SUBSIDIES/CVD CIRCULATED IN DECEM-
BER REF A). FYI: THIS EXPANDED PAPER IS THE CANADIAN RE-
WRITE OF TPSC 77-91 ANNEX Q KREF B)WITH THE DELETION OF
THE CANADIAN COMMENTS). CANADA, WHILE WILLING TO WORK ON
THE BASIS OF THIS DOCUMENT, DID NOT WANT TO BE IDENTIFIED
PUBLICLY AS A CONTRIBUTOR. END FYI. US EXPRESSED ITS WIL-
LINGNESS TO ENGAGE IN BILITERAL DISCUSSIONS ON THE BASIS
OF THIS DOCUMENT. JAPAN (UKAWA) PRESENTED A JAPANESE "NON
PAPER" OV POSSIBLE AGENDA TOPICS TO BE COVERED IN CUBSIDY/
CVD AGREEMENT (TEXT IS REPRODUCED AT
END OF CABLE). HA SUG-
GESTED THAT DELEGATIONS FIRST AGREE TO TOPICS AND THEN TURN
TO DRAFTING DETAILS. UKAWA STATED THAT AGREEMENT ON AGENDA
WOULD HELP PUT PRESSURE ON TOKYO TO FORMULATE A GOJ POSI-

TION ON THE ISSUES INVOLVED IN THIS AREA.

4. THE EC STATED THAT PARTICIPANTS COULD WORK AT THE TECH-

NICAL LEVEL TO DEVELOP POSSIBLE SOLUTIONS, BUT WITHOUT THE BASIC POLITICAL DECISIONS TO MOVE FORWARD WE WOULD BE WASTING TIME. ABBOTT RFLRUNMGAT MTN/INF/13 "REFLECTS A FAILURE TO REACH ANY MORE AGREEMENT THAN ON AGENDA" FOR DISCUSSION AND EXPRESSED "GRAVE DOUBTS" ABOUT GETTING A PACKAGE WHICH WOULD ALLOW THE US TO COME INTO LINE WITH GATT ARTICLE VI. A DECISION AT THE POLITICAL LEVEL IS NECESSARY TO SEE IF THE OUTLINE IN MTN/INF/13 IS REALISTIC. (IN PRIVATE CONVERSATION ABBOTT SAID HE WAS UNAWARE OF PROPOSED HIGH LEVEL MEETING BETWEEN WOLFF AND DENMAN ON FRINGES OF FEBRUARY G-18 MEETING, REF C.) CANADA (DANIS) SHARED THE LIMITED OFFICIAL USE

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EC ASSESSMENT SAYING THAT TECHNICAL WORK NEEDED A SENSE OF DIRECTION WHICH ONLY COULD BE SET AT THE POLITICAL LEVEL. UKAWA REJOINED EC BY SAYING THAT THE TECHNICAL ISSUES SUCH AS INJURY CRITERIA AND REFINEMENT OF THE 1960 EXPORT SUBSIDY LIST COULD BE DISCUSSED WITHOUT PREJUDICE TO ANY COUNTRY'S POSITION. SUCH DISCUSSION, IN ABBOTT'S VIEW, WOULD BE CONDITIONED UPON THE CONTEXT OF THE OVERALL AGREEMENT IN WHICH SUCH ELEMENTS WOULD BE PLACED (E.G. ARTICLE XVI:4 PROHIBITION OR GENERAL PROHIBITION OF SUCH EXPORT SUBSIDIES). ABBOTT THEN SUGGESTED THAT DELEGATIONS CONTINUE BILATERAL DISCUSSIONS ON THE BASIS OF MTN/INF/13 (WHICH THE EC PREFERS) OR OTHER DOCUMENTS (NEW US DISCUSSION PAPER OR JAPANESE OUTLINE). ALL AGREED TO PROCEED ON THIS BASIS AND TO MEET AGAIN IN TWO WEEKS TIME TO REVIEW THE SITUATION. US DEL WILL MEET WITH THOSE DELEGATIONS PRESENT IN COURSE OF WEEK OF JANUARY 30.

5. TEXT OF JAPANESE "NON-PAPER" IS AS FOLLOWS:

QUOTE:

GENERAL.

ELABORATE, WHERE APPROPRIATE, THE RELEVANT PROVISIONS/ PROCEDURES OF THE GATT, TO ENSURE/IMPROVE THEIR EFFECTIVENESS; ENSURE CONFORMITY WITH SUCH ELABORATION THE DOMESTIC LAWS, REGULATIONS AND ADMINISTRATION OF PARTICIPANTS

COUNTERVAILING DUTIES.

1. TEST OF INJURY/CRITERIA

(1) FINDING OF MATERIAL INJURY -- ELEMENTS TO BE EXAMINED
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INED

(2) CAUSALIT BETWEEN SUBSIDIES AND MATERIAL INJURY

(3) OTHER RELATED ISSUES

2. THIRD COUNTRY MARKETS

3. NOTIFICATION, CONSULTATION

4. SURVEILLANCE, DISPUTE-SETTLEMENT

SUBSIDIES.

1. RELATIONSHIP BETWEEN NATIONAL POLICY OBJECTIVES AND EF-
FECTS ON TRADE

2. EXPORT SUBSIDIES

(1),NON-PRIOARY PRODUCTS

(A) COMMITMENT OF NON-USE OF EXPORT SUBSIWIES

(B) GUIDELINE ON PROHIBITED EXPORT SUBSIDIES

-- ILLCREWP NE LIST, GENERAL DEFINITION OR

N COMBINATION

-- EXPAND/IMPROVE, WHERE APPROPRIATE, THE 1960

LIST

(C) POLICIMG IN CASE OF BREACH/NON-OBSERVANCE --

APPROPRIATE INTERNATIONAL ACTIONS

(2) PRIMARY PRODUCTS

RELATIONSHIP WITH PRODUCT SUB-GROUPS

T

3. OTHER SUBSIDIES

4. NOTIFICATION, CONSULTATION

T

5. SURVEILLANCE, DISPUTE-SETTLEMENT

END QUOTE.

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6. DVAFTED BY WALLAR.

MCDONALD UOQUOTE VANCE

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NNN

Message Attributes

Automatic Decaptioning: X
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Concepts: MEETINGS, SUBSIDIES, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 02 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Expiration:
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ISecure: 1
Legacy Key: link1978/newtext/t197802100/aaaadgnz.tel
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Litigation Codes:
Litigation History:
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TAGS: ETRD, MTN
To: KUALA LUMPUR
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b7c3cdcc-c288-dd11-92da-001cc4696bcc
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